

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN**

UNITED STATES OF AMERICA

Case No:

Judge:

Plaintiff,

VS.

KAREN GRAHAM
16773 PLAINVIEW AVE.
DETROIT, MI 48219

Defendant.

COMPLAINT

NOW COMES Plaintiff, the United States of America, by and through undersigned counsel, hereby sets forth its Complaint against the Defendant and states as follows:

I. JURISDICTION AND VENUE

1. This breach of contract action to collect an indebtedness is brought by the United States of America on behalf of the Small Business Administration ('SBA') pursuant to Title 28, United States Code, §1345 and Title 28, United States Code, §3001.
2. The SBA is the holder of a promissory note that evidences the loan that is the subject of this litigation. The due and owing debt was referred to the US Department of Treasury's Bureau of Fiscal Service for collection in accordance with the Debt Collection Improvement Act of 1996 (31 U.S.C. §3701, et seq.), and ultimately referred to the United States Department of Justice for enforced collection.

3. Upon information and belief, Defendant Karen Graham (hereinafter 'Ms. Graham') is a resident of Wayne County, Michigan within the jurisdiction of this Court.

II. FACTS

4. Paragraphs 1-3 of the Complaint are hereby realleged as if fully rewritten herein.
5. On August 27, 2015, SBA authorized a loan in the amount of \$27,700 to Ms. Graham for the purpose of rehabilitating and/or replacing property that was damaged or destroyed as a result of a disaster that occurred in August 2014. A true and accurate copy of the SBA Loan Authorization and Agreement is attached herein as **Exhibit A**.
6. In conjunction with the execution of the Loan Agreement, Ms. Graham executed a Promissory Note which outlined repayment terms on the Loan. A true and accurate copy of the Promissory Note is attached herein as **Exhibit B**.
7. Ms. Graham defaulted on the SBA Loan on or around September 27, 2018. Following the application of partial payments, the balance due and owing as of May 30, 2024 on the SBA loan that has been referred to the United States Treasury and Department of Justice for collection totals \$22,042.91.
8. The Certificate of Indebtedness, a true and accurate copy of which is attached as **Exhibit C**, shows the total amount due and owing as of the date of the Certificate of Indebtedness. Interest continues to accrue on the principal balance only at the rate of 2.06% per annum

pursuant to the terms of the Loan Authorization and Agreement and Promissory Note.

See SBA Loan Authorization and Agreement; See also Promissory Note. The debt owed to the United States of America as of May 30, 2024, referenced by Account No.

2024A18072, is broken down as follows:

| | |
|--|--------------------|
| a. Current Principal | \$15,459.14 |
| b. Current Capitalized Interest Balance and Accrued Interest (at 2.06%) | \$739.06 |
| c. Administrative Fee, Costs, Penalties (per 31 USC § 3717 and 31 USC § 3711): | \$5,844.71 |
| Total Owed | \$22,042.91 |

III. COUNT ONE: BREACH OF CONTRACT- 28 U.S.C. §3001

9. Paragraphs 1-8 of the Complaint are hereby realleged as if fully rewritten herein.

10. Ms. Graham defaulted on the SBA Loan and accompanying Promissory Note.

11. SBA holds the Note evidencing the due and owing debt under the SBA Loan.

12. Ms. Graham owes the United States of America the sum of \$22,042.91, which includes the principal balance of \$15,459.14, plus contractual interest that continues to accrue on

the principal balance only at the rate of 2.06% per annum from May 30, 2024, and statutory fees and costs. *See Certificate of Indebtedness.*

13. Demand has been made upon the Defendant for payment of the indebtedness, and the Defendant has neglected and refused to pay the same.

WHEREFORE, Plaintiff the United States of America respectfully requests this Court grant Judgment in its favor and against Defendant Karen Graham in an amount totaling \$22,042.91 plus interest that continues to accrue on the principal balance only at the rate of 2.06% per annum from May 30, 2024; a filing fee in the amount of \$350 as permitted by 28 U.S.C. §2412 (a) (2); and any other relief which the Court deems proper.

Date: August 13, 2024

Respectfully submitted,

/s/ Thomas L. Sooy, Esq.

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